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*Helping People
Help the Land*

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July 10, 2006

MINNESOTA BULLETIN NO. 300-6-36

**SUBJECT: LTP – CONSERVATION PROGRAM CONTRACTS (CPCs) – CANCELING AND
TERMINATING CONTRACTS**

Purpose. To provide Minnesota process on canceling or terminating CPCs.

Expiration Date. September 30, 2006

This bulletin clarifies the process and procedures all offices should use to cancel or terminate CPCs for NRCS programs. This includes contracts for Environmental Quality Incentive Program (EQIP) and Wildlife Habitat Incentive Program (WHIP).

Canceled or terminated CPC contracts are subject both to refund of cost share and liquidated damages. Each program has differing policies regarding refunds and cost-recovery. For EQIP the cost-recovery also varies by the program year and appendix.

While Designated Conservationists (DC) are authorized to cancel a CPC, only the State Conservationist can waive the cost recovery provisions. This waiver must be based on the participant's good faith effort to comply with the contract and/or hardship preventing the participant from complying with the contract.

Follow the attached Minnesota Cost Recovery Process for Conservation Program Contracts to process cancellations and terminations.

Worksheet 1 has been revised to make it program neutral, add the participant's address, and to allow the DC to indicate if NRCS employee error or NRCS inattention contributed to the cancellation. This worksheet must be used for all future cancellations and terminations. Previous versions of Worksheet 1 should not be used. Requests for cancellation must be accompanied by the participant's written request. Participants may use the attached 'Request to cancel a conservation program contract' as a guide to making their request.

Also attached is the sample waiver letter the state office will now be sending directly to the participant with a courtesy copy to the DC when waivers are granted.

Questions should be directed to your ASTC (FO) or from the area level to Tim Koehler, Assistant State Conservationist.

/s/

WILLIAM HUNT
State Conservationist

Enclosures

DIST: AC
 DC
 ARC
 EQIP State Office Team